



**SFY 2024 – 2025**

**REQUEST FOR PROPOSAL**

**FINANCIAL MANAGEMENT SERVICES  
FOR VETERAN DIRECTED CARE PROGRAM**

TO BE AWARDED BY:

**MID-AMERICA REGIONAL COUNCIL  
600 BROADWAY, SUITE 200  
KANSAS CITY, MISSOURI**

**Released:**  
December 7, 2023

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## Part A

### I. SUMMARY

The Financial Management Services Request for Proposal (RFP) is an expedited release, requiring swift action from respondents.

In this RFP, MARC seeks proposals to provide services as a Financial Management Services (FMS) partner for our Veteran Directed Care (VDC) program. These services are designed to assist clients, in an employer agent role, who are self-directing their care in the community and hiring a care worker of their choosing.

Respondents must submit the following documentation:

- 1) **Proposal Narrative (cover page and narrative)**
- 2) **If applicable**, Intent to Perform as a Women and/or Minority Owned Business (WBE/MBE)
- 3) **If applicable**, Request for Waiver
- 4) **Remaining documents and certifications**

All forms of the response/application process are available in simple .doc/.rtf formats on MARC's RFP website (<https://marc.org/about-marc/funding-and-rfps>). Ultimate submission of the proposal and associated documents is via email.

### II. PUBLIC NOTICE

Notice is hereby given that the Mid-America Regional Council (MARC) will release Request for Proposal (RFP) documents for the provision of contract-dependent services to adults in the Missouri counties of Cass, Clay, Jackson, Platte, and Ray; additional Missouri counties by contract; and contract-dependent services for the Kansas counties of Johnson, Leavenworth, Miami, and Wyandotte, and other locations, for State Fiscal Year (SFY) 2023-2025 (February 2024 through June 2025). Services for this release include:

Financial Management Services  
For Veteran Directed Care Program

This RFP will be released Thursday, December 7, 2023. Unless requested by multiple respondents, there will be no conference focusing on the various services being requested on this expedited opportunity. The RFPs may be obtained on the MARC website at <https://www.marc.org/about-marc/funding-and-rfps> or by contacting Tonya Boston at [tboston@marc.org](mailto:tboston@marc.org). All proposals will be accepted by email to Tonya Boston no later than Thursday, January 4, 2024, by 4:00 PM CST.

MARC hereby notifies all interested parties that it affirmatively ensures that all respondents to this notice are afforded full opportunity to submit proposals and that no respondent will be discriminated against on the grounds of race, color, national origin, disability, sex, or veteran status in consideration of an award.

### III. PROPOSAL BACKGROUND

The Mid-America Regional Council conducts this solicitation and procures contractors according to set policies described under Part I and Appendix 1 of the MARC Aging Policies and Procedures Manual (<https://www.marc.org/aging-health/aging-and-adult-services>). Refer to this manual for additional information regarding, if applicable:

- A. Legislative Authority and Funding Sources (Part I, Section 1)
- B. Definition and Description of the AAA (Part I, Section 2)
- C. Overview of Service System (Part I, Section 3)
- D. Eligibility for Services (Part I, Section 6)

### IV. CONTRACT PERFORMANCE PERIOD

The MARC aging program period coincides with the state fiscal year (SFY), which in Missouri is July 1 through June 30 of the succeeding calendar year. For this release, a portion of SFY 2024 will be covered (February 1, 2024, to June 30, 2024) in addition to SFY 2025 (July 1, 2024, through June 30, 2025), for a total of seventeen (17) months.

#### RENEWAL OPTION:

The initial award of this contract will be for a 17-month period. MARC reserves the right to negotiate this contract for two (2) additional one-year renewal periods. MARC reserves the right to terminate the current contract without cause and solicit new responses. MARC shall notify the Contractor, in writing, of the intent to exercise the renewal option. However, failure to notify the Contractor does not waive MARC's right to exercise the renewal option. The Contractor shall be required to submit documentation to MARC, as proof of any requested price increase. Under no circumstances shall an increase be granted that is greater than the Federal Consumer Price Index (C.P.I.) for the Kansas City area, without approval of MARC.

### V. MINIMUM REQUIREMENTS OF ALL RESPONDENTS

Responses to this RFP will be accepted only from organizations meeting the following minimum requirements:

- A. A business/organization eligible to do business in the States of Missouri or Kansas, respective to their stated service area. Respondents who propose to provide services to residents of Missouri must be registered to do business in the State of Missouri. (See c. **Annual Registration Report and Fictitious Name Registration** under Supportive Documentation, on page 12.) Proposals from individuals will not be accepted.
- B. A business/organization that has current licenses and/or permits, as required for proposed service(s).
- C. A business/organization that has developed and implemented programs for compliance with federal and state regulations for equal opportunity, drug-free workplace, and ADA.

- D. The business/organization must be eligible to receive Federal funds. MARC is prohibited from contracting with or making sub-awards under cover transactions to parties that are suspended, debarred, or otherwise excluded from, or ineligible for, participation in Federal assistance programs or activities, or whose principles are suspended, debarred or otherwise excluded from, or ineligible for, participation in Federal assistance programs or activities. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000 (e.g., sub-awards to sub-recipients).

## **VI. JOINT VENTURE**

Joint ventures are acceptable and encouraged provided all parties of the joint venture satisfy the proposal requirements. Any joint venture must be identified as such and documentation for both entities must be submitted.

## **VII. SUBCONTRACTS**

Subcontracts are acceptable, but will require the following:

- A. The primary subrecipient/contractor and the proposed subcontractor must agree to all applicable requirements set forth in the primary contract. Municipalities administering programs are exempt from this requirement.
- B. A primary transportation subrecipient/contractor must use only vehicles that are titled in the corporate name of the primary subrecipient/contractor or leased in the name of the primary subrecipient/contractor to provide MARC-funded services. Municipalities administering programs are exempt from this requirement.
- C. Prior to MARC approving a subcontract, the primary subrecipient/contractor must submit a written copy of the proposed agreement to subcontract, and the same documentation required of the primary subrecipient/contractor will be required of the subcontractor agency.

## **VIII. WOMEN BUSINESS ENTERPRISE (WBE)/MINORITY BUSINESS ENTERPRISE (MBE) REQUIREMENTS AND PARTICIPATION**

MARC encourages qualified businesses to actively participate in the procurement of MARC-sponsored contracts. MARC does not discriminate based on race, color, sex, national origin, age, military status, or disability. Women and/or minority owned business (WBE/MBE) are encouraged to participate as prime subrecipients/contractors, subcontractors or joint ventures.

WBE/MBE respondents must submit a completed Intent to Perform as a WBE/MBE Firm (Part F, Proposal Forms) for each proposed WBE/MBE subrecipient/contractor, subcontractor, or joint venture. MARC does not provide WBE/MBE certifications but will accept certifications of WBE/MBE from the City of Kansas City, MO or any other federal, state or local agency that participates in a WBE/MBE Certification Program. MARC will accept certified Disadvantage Business Enterprise (DBE) forms as certification of WBE/MBE status.

## IX. SINGLE AUDIT CERTIFICATION

Successful governmental and non-profit organizations receiving a contract from the Mid-America Regional Council as a result of submitting a proposal to this solicitation, that receive \$750,000 or more annually in federal financial assistance, must have a single audit performed in accordance with Subpart F Audit Requirements, of the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal, dated December 26, 2013, as amended. Successful organizations that receive less than \$750,000 annually are exempt from federal audit requirements for that year.

For audit purposes, all project income (voluntary contributions from service recipients) collected through the provision of this service will be considered federal funds and subject to the \$750,000 threshold mentioned above.

## X. APPEALS PROCESS

The purpose of the appeals process is to give current, past and potential service providers and consumers of MARC-operated programs an opportunity to express their grievance, or to appeal a decision in the proposed award of contracts.

**Due to the time constraints of this RFP release, the receipt of an appeal may interrupt service continuity in the service area, and the onset of agreements under this RFP may be delayed.**

- A. A recommended provider list will be approved by the MARC Board of Directors at its meeting on January 23, 2024. A formal response will be sent to all respondents officially notifying them of the Board's recommendations subsequent to the meeting. Respondents wishing to submit an appeal of the preliminary contract award decision must submit a formal written request including the reason for appeal, by 5:00 p.m., CST, January 26, 2024.
- B. The appeals request should be addressed to the Executive Director of MARC detailing the basis for the appeal. The individual who was authorized to submit the original proposal must also submit the appeal.
- C. If necessary, an appeals hearing will be held between January 30 through February 6, 2024.

Refer to Appendix 1, page iv (Appeals Process For Service Proposal Denial), of the MARC Aging Policies and Procedures Manual for details regarding the steps a respondent is required to take to process an appeal.

## PART B

### Statement of Purpose

MARC seeks community partners to render Financial Management Services (FMS) functions, particularly for the Veteran-Directed Care program under the United States Department of Veterans Affairs, for MARC clients. MARC's operates the community services portion of the VDC program, currently in collaboration with the Kansas City Veterans Affairs Medical Center (KC VAMC), for portions of Missouri and Kansas proximate to the KC metropolitan area.

The FMS role assists community-dwelling veterans as an employer agent, such as human resources tasks, time reporting and records, tax withholding, and billing functions to facilitate a relationship between the veteran and a care worker of his or her choosing. This role may extend to other consumer-directed programs and initiatives, but only through contract amendment.

The FMS role assists MARC with accurate record keeping, excellent customer service to veterans, their caregivers, and care workers.

**For all services, providers receive authorized referrals solely from MARC. MARC will receive VDC referrals from the VAMC, who then become MARC clients for Person Centered Counseling services.**

**Only VAMC and MARC-authorized clients are eligible for service under the terms Agreement to be signed upon award and finalization of terms, and clients are only eligible for the specific service(s) identified by MARC at the time of referral.**

#### I. FINANCIAL MANAGEMENT SERVICES REQUESTED

All activities funded by MARC must have appropriate, adequate, and timely reporting tied to those activities. MARC reports these activities to business partners, and State and Federal authorities for regular program accountability and occasional analysis of program or service effectiveness.

##### Financial Management Services

*Services.* The FMS services include **payroll, payment for goods and services**, and, with VAMC approval, operating of a **savings fund**. When a referral is directly employing workers, FMS shall provide employer agent functions and perform the financial administrative duties of employer, pursuant to the Internal Revenue Code Section 3504, Treasury Regulation § 31.3504-1 and IRS Revenue Procedure 2013-39. The required tasks for employer agent services of the FMS include but are not necessarily limited to:

- Track monthly spending;
- Provide **criminal background checks** of Veteran's employees;
- **Issue payroll payments** to workers directly hired by the Veteran, and for goods and services;
  - Personal assistant pay rates must meet Missouri's minimum wage standards and may not be more than \$20 an hour, unless the VA provides permission for a higher hourly wage.
- Provide personnel activities such as withholding income, Social Security, Medicare taxes, state and local income or earnings taxes from payroll payments and make payments to the appropriate authorities for taxes withheld;

- Process garnishments, support orders, levies, unemployment requests, and other legally required requests;
- Make payments for unemployment taxes and worker's compensation insurance to the appropriate authorities, when required by law;
- Assist the veteran with purchasing worker's compensation insurance, if required by law;
- Serve as payment agent for vendors of goods and the provision of other services chosen and retained by the Enrollee in accordance with their Monthly Spending Plan;
- Serve as payment agent, upon approval from MARC and VAMC, for the purchase of other goods and services according to the Enrollee's "Emergency and Planned Savings Fund";
- Issue W-2 forms and other tax statements required by applicable laws and regulations;
- Obtain documentation from the Enrollees and file documents with the IRS and state and local agencies so that FMS can serve as Employer Agent for the Enrollees, and meet the requirements of the applicable tax, unemployment contribution and insurance authorities;
- Provide each Veteran with monthly documentation of payroll and deductions made each pay period and, on a quarterly basis, documentation of tax payments to governmental entities;
- Assure data information systems are HIPAA compliant;
- Complete necessary enrollment documentation and information (the "Veteran Packet"). FMS provides assistance to the Veteran to ensure the forms are executed and instructions on how to comply with the Program;
- Contact the AAA program supervisor in that event that any proposed expenditure exceeds the amount budgeted;
- Suggested that payments are issued according to a published payroll schedule;
- Suggested that disbursements are made at least as frequent as semi-monthly;
- Suggested, where allowed by state law, require employees to be paid via electronic transaction (i.e., direct deposit to bank account or pay card); and
- FMS generates Monthly Spending Report for VDC supervisor to review and share with the KC VAMC.

#### *Ongoing Monitoring*

- Monitor expenditure requests and inform the Veteran, the Person-Centered Counselor (PCC), and MARC of over-expenditures:
  - If possible, those covered personnel costs will be covered in the next payroll;
  - Inform the Veteran when they have to use money from other budgeted items to cover payroll; and
  - Inform the PCC and MARC VDC program supervisor if there appears to be a pattern with the Veteran being unable to manage his or her care within the budgeted payroll amount.

Additional programs may be added during the performance period, with the opportunity to amend the Agreement to accommodate these additional programs.

FMS providers are paid a set rate per month, per enrolled veteran. Therefore, the unit of payment is enrolled veterans.



Refer to Part III, Section 1 of the MARC Aging Policies and Procedures Manual (<https://www.marc.org/aging-health/aging-and-adult-services>) for further details regarding the specifications and standards of these services. Further specifications and standards of services are contained in a document and process certified by the US Department of Veterans Affairs, or their designated agent, the "FMS Readiness Review" document (Part E).

Minimum Service: Award as provider in no way guarantees referral of clients, any minimum reimbursement, nor any minimum contract amount. Services rendered are driven by available funding.

Service Specifications: The provider shall have all appropriate licenses and certificates to provide the service(s) that they propose, follow all guidelines outlined by state and Federal law, and adhere to provisions within the Agreement that is executed upon award. Any facility to be used for the direct provision of services to clients, if applicable, shall meet the accessibility standards of the ADA and all applicable local and state standards for health and safety.

## PART C

### Proposal Narrative

**Respondents are encouraged to present service options in their response. For example, a respondent may choose to conduct the client-side FMS function AND the back-end office function of tracking spending, etc. In this case, the respondent is encouraged to develop a rate and approach to the various functions that they wish to provide. The various options that MARC should consider from the respondent must be clearly delineated, both in scope and price.**

**Proposal Cover Sheet:** (Part F, Proposal Forms) must be signed by an executive officer who is legally authorized to sign for respondent. Specify the service(s) being proposed. A contact person and telephone number must be included.

**Contact information (email address) must be provided for the executive officer who is legally authorized to sign for the respondent, including the Board Chair for nonprofit entities.**

### **Proposal Narrative (Scope of Services):**

The Financial Management Services RFP is different than some MARC RFPs. Services are defined and clients are assigned through VAMC and MARC. Therefore, an exhaustive proposal narrative is not necessary, and the process is designed to be as easy as possible for potential partners. Please contact MARC staff for technical assistance in responding to this RFP or clarifying the required documents.

The specifications of provision of the service such as timelines from referral to service initiation, quality assurance, and compliance procedures are outlined in the federally certified FMS Readiness Review document. The respondent assists MARC with writing and preparing the document for submission and approval by the VA. Service may not initiate until the document has been approved by the VA.

**Respondents should specify the following using concise, yet complete descriptions, in approximately 2 pages or fewer:**

- 1) Service geography: state areas of interest and include extant capacity for each area and/or expected capacity for each area.**
  - a. Example: Kansas and Missouri
- 2) Qualified staff: Describe minimum staff qualifications for financial management services provision.**
  - a. Example: We will hire staff qualified for employer agent functions, customer service, and fiscal excellence. Each staff member will be checked monthly against the OIG/GSA exclusion list, and fully trained in all compliance procedures, including HIPAA.
- 3) Other unique qualifications: please include any additional information that would be helpful to reviewers and was excluded from the first three categories.**

**Please be certain to present the proposed cost or rate within the proposal narrative. If multiple service options are presented for consideration, clearly outline which costs are associated with which options.**

**Supporting Documentation (See Part F for link to forms)**

The respondent must submit the following supportive documentation, if applicable, regarding all proposed services (supporting documentation does not apply to the proposal narrative page limit):

- a. The **respondent** is required to provide a complete listing of the members of the Board of Directors for the years 2022, 2023, and 2024.
- b. **The respondent is required to, if a tax-exempt organization, submit its most recent IRS Form 990. Any new not-for profit organizations to the MARC system will be required to also include its most recent A-133 audit report.**
- c. **Annual Registration Report and Fictitious Name Registration** - Each respondent, except a governmental entity, must submit a copy of its most recent Annual Registration Report filed with the Secretary of State, and evidence of any and all Fictitious Name Registration(s) that the respondent currently has on file with Secretary of State. **A Certificate of Good Standing will not suffice.**
- d. **Insurance and Licenses** - All respondents awarded contracts will be required to forward to MARC copies of all insurance certificates and appropriate licenses prior to the beginning of the program year. Successful respondents will be required to submit insurance certificates. Certificates do not need to be submitted within the proposal but must be submitted prior to contract initiation.
- e. **Civil Rights Compliance** - All respondents awarded contracts will be required to provide assurance of compliance with the Civil Rights Act of 1964, as amended (Part F, Proposal Forms).
- f. **ADA Assurance** - All respondents are required to provide assurance of compliance with the Americans with Disabilities Act of 1990 (Part F, Proposal Forms).
- g. **Assurance of Compliance Regarding Criminal Background Checks for In-Home Service Direct Care Workers** – All respondents proposing to provide direct in-home services are required to provide assurance of compliance with regulations regarding criminal background checks for all direct care workers (Part F, Proposal Forms).
- h. **Suspension and Debarment Certification** - All respondents are required to certify that their organization, and its principals, are not suspended or debarred from participating in Federal assistance programs or activities (Part F, Proposal Forms).
- i. **Single Audit Certification** - All governmental and non-profit respondents are required to certify to MARC the total federal awards expended from all funding sources during the respondent's most recently completed fiscal year (Part F, Proposal Forms).

- j. **Drug-Free Policy Statement and Program** - Each respondent must submit a copy of its Drug-Free Workplace Statement and documentation of a Drug-Free Workplace Program for all employees in compliance with the Drug-Free Workplace Act of 1988.
- k. **Intent to Perform as a WBE/MBE Firm** – To confirm the intent to perform as a primary subrecipient/contractor, subcontractor, in a joint venture or any other specified situation, this form must be completed and submitted in the proposal. A copy of the organization's current certification certificate must be included as well (if applicable, Part F, Proposal Forms)

## **8) Request for Waivers**

If, in the respondent's opinion, some requirements contained in this proposal packet are impossible, impractical, or uneconomical to uphold, a request for waiver may be included with the proposal. Only one waiver request should be contained on a page. There is no limit to the number of waiver requests that may be submitted.

Each waiver request will be reviewed on its own merits. No waiver will be granted for state-mandated regulations. Each request must include the alternative procedure that the respondent will implement to meet the intent of the procedure, process or compliance requirement.

## PART D

### CRITERIA FOR EVALUATION OF PROPOSALS

#### MARC Review, Proposal Evaluation and Selection

Proposals will be accepted via email to Tonya Boston (tboston@marc.org) no later than Thursday, January 4, 2024, 4:00 PM CST. Proposals received after this deadline will be rejected.

MARC strongly encourages electronic submission to Tonya Boston (tboston@marc.org). **The respondent should only be certain of electronic submission after receiving the confirmation receipt email.** If a receipt email is not issued within 24 hours (48 hours on a weekend), please call the MARC offices at (816) 701-8290.

- A. MARC reserves the right to select or reject any proposal, in whole or in part.
- B. All proposals received by the aforementioned deadline(s) shall be screened by MARC staff for completeness.
- C. Non-conforming proposals shall be rejected. The respondent will be informed as such in writing within a reasonable period of time following submission.
- D. In addition to the overall price of service contained in the proposal, the following factors will also be considered by MARC in evaluating the proposals:
  - 1. It is imperative that all respondents to this RFP carefully read the document in its entirety prior to responding in writing. The narrative shall address in detail each specific question. If a question is not addressed, it will affect the overall proposal score.
  - 2. Conformity to service standards stated in the proposal package.
  - 3. Past performance records as verified by monitoring reports, administrative reviews and participant input for any respondent who has previously provided services to MARC. But a lack of prior service provision to MARC will not count against any respondent;
  - 4. The Women and Minority Business (Disadvantaged Business Enterprise) goals of MARC (refer to Appendix 1, page i, of the MARC/Commission on Aging Policies and Procedures Manual).
  - 5. MARC reserves the right to evaluate a respondent based upon historic information and fact, no matter the source.
- E. A review committee will be established to review all proposals responding to this RFP. Representatives of each agency submitting an accepted proposal may be invited to a meeting held by this committee (time and place to be announced) to answer and possibly clarify any questions or concerns committee members may have. Evaluation scores will be calculated and combined with recommendations from this committee, which will be submitted to the Commission on Aging. The Commission on Aging shall review this information and forward its recommendations to the MARC Board of Directors. Part A, Section X of this RFP explains the appeals procedure.

All proposals accepted for consideration will be evaluated using a weighted scoring system:

| <b>Proposal Scoring Criteria</b>   |                       |
|--|-----------------------|
| <b>Category</b>  | <b>Maximum Points</b> |
| Proposal Narrative<br>-Entity is qualified to perform services in Missouri and Kansas and/or can complete Readiness Review swiftly.<br>-Entity already serves as an FMS for other VDC programs throughout the nation.<br>-Entity is well-respected in the industry.<br>-Entity follows a person-centered model, using best practices in the field of Financial Management Systems. | 20                    |
| Cost estimate (lowest per service unit)  | 5                     |
| <b>Total</b>   | <b>25</b>             |
| <i>Bonus points</i>  |                       |
| (DBE) Disadvantaged Business Enterprise  | 5                     |
| OR   |                       |
| Joint venture with DBE   | 2.5                   |

- F. MARC reserves the right, in the event of only one response to this RFP, to negotiate the terms and conditions, including the price included in the sole respondent's proposal.
- G. As part of any negotiations, MARC reserves the right to request any data that would support the reasonableness and acceptability of the proposal. Respondents may be asked to further define and/or refine the services they propose as part of contract negotiation. If so, they will be afforded the opportunity to refine their proposed cost to reflect MARC requested changes from the original proposal.
- H. All proposals received by MARC are subject to the Missouri Sunshine Law and the U.S. Freedom of Information Act. To the extent possible, MARC will keep information contained in proposals confidential. Respondents are required to identify those portions of their document that they consider to be proprietary. An entire document may not be protected. All proposals and supporting documents will remain confidential until a final contract has been fully executed.

## **PART E**

### **Vendor Fiscal/Employer Agent (VF/EA) Financial Management Services (FMS) Readiness Review for Veteran-Directed Care (VDC) Program**

#### ***Vendor Fiscal/Employer Agent (VF/EA) Model of Financial Management Services (FMS)***

Complete this Readiness Review tool if the Veteran-Directed Care (VDC) program is implementing the Vendor Fiscal/Employer Agent (VF/EA) model of Financial Management Services (FMS).

#### ***Overview***

The VF/EA FMS component of the Readiness Review has two purposes. The first is to help the Aging and Disability Network Agency ("ADNA") wishing to operate a VDC program walk through the key components of implementing the VF/EA FMS model including the use of a flexible spending plan. The second purpose is to provide the Veterans Health Administration (VHA) with the reasonable assurance that the ADNA has the capacity to provide VF/EA FMS (either by providing VF/EA FMS directly in-house or engaging a qualified contractor to provide VF/EA FMS) to implement this important participant-directed support service component of its VDC program.

Susan Flanagan, MPH, PhD on the Lewin VDC Project Team leads the VF/EA FMS Readiness Review work. She has extensive participant-directed service program and FMS design and implementation experience and will be able to assist you in addressing issues as they arise.

#### ***Instructions***

Please answer each question completely as described. Successful completion of the VF/EA FMS component of the Readiness Review will result in the ADNA demonstrating its (1) knowledge of the VF/EA FMS model and required tasks, (2) how the ADNA will provide this participant-directed support service (either in-house or by engaging with a qualified contractor) and the parties involved; and (3) the approach the ADNA will use to monitor the quality of VF/EA FMS provided.

It is recommended that the ADNA work either with their internal VF/EA FMS staff or the VF/EA FMS entity it has contracted with to assist the ADNA in completing the VF/EA FMS Readiness Review document. The following describes the steps to successfully complete the VF/EA FMS Readiness Review.

1. The ADNA will prepare and submit a first draft of their VF/EA FMS Readiness Review document to Dr. Flanagan for review and comment. This is done by emailing the document to [sflanagan@westchesterconsulting.com](mailto:sflanagan@westchesterconsulting.com).
2. Dr. Flanagan then will review and provide comments on the first draft of the ADNA's VF/EA FMS Readiness Review document and send the ADNA a copy for review and incorporation.

At this time, the ADNA will be contacted to see if they would like to schedule a meeting to discuss Dr. Flanagan's comments on their first draft of their VF/EA FMS Readiness Review document. It is the ADNA's choice to have this meeting and if the meeting occurs, it is recommended that the ADNA have their internal VF/EA FMS staff or contracted VF/EA FMS entity participate in the meeting.

3. Then the ADNA reviews and incorporates the comments received and prepares and submits a second draft of their VF/EA FMS Readiness Review document to Dr. Flanagan for review and approval.
4. In some cases, the ADNA may be asked to prepare a third draft of the document to address any final comments/issues raised during the review of their second draft. The ADNA will be contacted by Dr. Flanagan if this is necessary.
5. Finally, the ADNA will be notified that their VF/EA FMS Readiness Review document has been approved and they have successfully completed the VF/EA FMS Readiness Review process.

Please note that resources are available to complete the VF/EA FMS Readiness Review at:

- (1) [www.adrc-tae.org](http://www.adrc-tae.org),
- (2) [www.irs.gov](http://www.irs.gov) (especially IRS Publication 15, *Circular E, Employer's Tax Guide*, and Rev. Proc. 2013-39), (3)
- (3) [https://www.dol.gov/whd/opinion/adminintrprtn/flsa/2014/flsaai2014\\_2.pdf](https://www.dol.gov/whd/opinion/adminintrprtn/flsa/2014/flsaai2014_2.pdf).

Dr. Flanagan also will provide the ADNA resource materials when she sends them a copy of the VF/EA FMS Readiness Review document to complete. She also is available to answer any questions the ADNA may have during the Readiness Review process.

### ***Involvement of Contractors Providing VF/EA FMS***

If the ADNA will be working with one or more contracted entities to provide VF/EA FMS for its VDC program it should report the name and contact information for these entities. A contractor could be a VF/EA FMS entity and/or a reporting agent. Again, we recommend that these contractors, as applicable, be involved in the completion of this VF/EA FMS Readiness Review. Additionally, contractors are encouraged to join any follow-up meeting(s) to review the results of the ADNA's VF/EA FMS Readiness Review.

### ***I. ADNA, VF/EA FMS Entity and Reporting Agent Information***

ADNA Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

1. Will the ADNA be providing VF/EA FMS directly in-house?  
☐ Yes    ☐ No
2. If yes, please provide the following contact information for the key in-house VF/EA FMS staff person.

VF/EA FMS Staff Name: \_\_\_\_\_



Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

3. If no, will the ADNA purchase VF/EA FMS by contracting with a VF/EA FMS entity operating under Section 3504 of the IRS Code and Rev. Procs, 70-6 and 2013-39? \_\_\_\_\_ Yes  
\_\_\_\_\_ No

a. If yes, please provide the following information for the VF/EA FMS entity:

VF/EA FMS Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

4. What will be the contracted VF/EA FMS entity's or the ADNA's in-house VF/EA FMS Division's role and responsibilities be (Please list)?  
\_\_\_\_\_

5. Has the contracted VF/EA FMS entity provided FMS to other participant-directed service programs?

a. If yes, please list the programs the VF/EA FMS entity serves or has served.

6. What is the administrative fee that will be paid to the VF/EA FMS entity for services rendered?  
\_\_\_\_\_

7. Is the VF/EA FMS entity advancing funds for worker payroll and vendor payments? \_\_\_\_\_  
Yes \_\_\_\_\_ No

a. If so, is the VF/EA FMS entity charging a fee for this? \_\_\_\_\_ Yes \_\_\_\_\_ No

8. Will the ADNA or the VF/EA FMS entity engage and delegate agent tasks to a reporting agent?  
\_\_\_\_\_ Yes \_\_\_\_\_ No

a. If yes, please provide name and contact information for the reporting agent:

Reporting Agent Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

9. If the ADNA or the contracted VF/EA FMS entity contracts with a reporting agent, what will the reporting agent's role and responsibilities be (Please list)?

10. If the ADNA or contracted VF/EA FMS entity contracts with a reporting agent, what is the fee that will be paid to the reporting agent for services rendered?
- 

11. If the ADNA or contracted VF/EA FMS entity contracts with a reporting agent, has the contracted reporting agent provided services to other participant-directed service programs?

a. If yes, please list the programs the VF/EA FMS entity serves or has served.

## **II. Obtaining Federal Authority to Provide VF/EA FMS**

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

12. What is the section of the IRS code and Revenue Procedure(s) that regulates the provision of VF/EA FMS?
13. Describe the Federal Employer Identification Number (FEIN) requirement for a VF/EA FMS entity and verify that it has been met.
14. If the ADNA is providing VF/EA FMS in-house or is contracting with a VF/EA FMS, what liability does (1) the ADNA's VF/EA FMS Division or the contract VF/EA FMS entity and (2) the Veteran/representative-employer assume under this FMS model. (Please address the liability for the FMS entity and the Veteran/representative-employer)?
15. If the ADNA or contract VF/EA FMS entity uses a reporting agent, what is the liability the reporting agent assumes?
16. If a reporting agent is used, what IRS Form must be executed between the ADNA or VF/EA FMS entity and the reporting agent?

## **III. Employer Enrollment**

***(These questions apply when the Veteran enrolled in the VDC program or his/her representative hires workers directly. References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

17. Who is the employer of the direct service workers hired directly by the Veteran enrolled in the VDC program or his/her representative?
18. Is a Veteran allowed to designate a representative to assist them in managing their services and direct service workers under the VDC program including being the common law employer of the Veteran's worker(s)?
- a. If yes, under what circumstances?
- b. What task(s) is the representative not allowed to perform?
19. What IRS Form must be completed to obtain the Veteran/representative-employer's Federal Employer Identification Number (FEIN)?

20. What IRS form must be completed by the Veteran/representative-employer, to authorize the VF/EA FMS entity to act as their employer agent?
21. What additional IRS form can be completed by the Veteran/representative-employer to authorize the VF/EA FMS entity to obtain tax information from the IRS on his/her behalf? (*This form is optional, but it is considered a best practice.*)
22. What document must the VF/EA FMS entity receive from the IRS before it is authorized to represent the Veteran/representative-employer as his/her employer agent and assume liability for the function?<sup>1</sup>
23. What document executed between the ADNA and the VF/EA FMS entity can have language added to it to expedite the VF/EA FMS entity being authorized and assume liability for the function?
24. What state and local, (if applicable) tax authorization form(s)/powers of attorney and procedures (as applicable) must be completed by the VF/EA FMS entity to act on the Veteran/representative-employers' behalf to state and/or local tax agencies? (*This response is dependent on the requirements of the state and locality in which the VDC program operates.*)
25. Describe the contents of the *Employer Enrollment Packet* that is completed by the Veteran/representative-employer.
  - a. What assistance is provided to the Veteran/representative-employer in completing the required paperwork, by whom and when/at what frequency is assistance provided?
  - b. To whom does the Veteran/representative-employer submit the completed, required paperwork from the *Employer Enrollment Packet*?
26. What are the tasks that the VF/EA FMS entity must complete if the Veteran/representative-employer stops using the VDC program and being an employer permanently? (*This question does not apply to circumstances when the Veteran is temporarily suspended.*)

#### **IV. Worker (Employee) Enrollment**

**(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)**

27. Who determines what type and number of direct service workers a Veteran/ representative-employer may hire directly?
28. Are direct service workers working in the VDC program unionized? \_\_\_\_\_ Yes \_\_\_\_\_ No
  - a. If yes, does unionization have an effect on the level of participant-direction afforded to the Veteran/representative-employer? (Please describe).
29. Describe the contents of the *Direct service worker Employment and Goods and Services Vendor Engagement Packet* that is completed by the Veteran/representative-employer.

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<sup>1</sup> It should be noted that in many cases, the VF/EA FMS entity is willing to assume responsibility when the IRS Form 2678 is signed and submitted to the IRS for processing).

- a. What assistance is provided to the Veteran/representative-employer in completing the required paperwork, by whom and when/at what frequency is assistance provided?
  - b. To whom does the Veteran/representative-employer submit the completed, required paperwork from the *Direct service worker Employment and Goods and Services Vendor Engagement Packet*?
30. Describe the tasks that must be completed by the Veteran/representative-employer and VF/EA FMS entity once the Veteran/representative-employer identifies a direct service worker candidate for hire?
31. Will background or registry checks (e.g., adult or child abuse) be performed on direct service worker candidates? \_\_\_\_\_ Yes      \_\_\_\_\_ No
- a. If so, what type?
  - b. What is the policies and procedures used if a direct service worker has flags/results on their background or registry check?
32. How is a worker's employment status (employee or independent contractor) determined and who makes the determination?
33. For tax exemption purposes, what is the importance of the worker's family relationship with the employer?
- a. What taxes may be exempt and when?
  - b. How is the information collected to determine the family relationship of a direct service worker?
34. For tax exemption purposes, when may a direct service worker be exempt from Federal income tax withholding?
35. If directly hired and paid direct service workers are part of the Veteran's emergency back-up plan, what is the VF/EA FMS entity's process for enrolling these workers?
36. How is an employee's rate of pay determined and what Federal and/or state rules or regulations impact an employee's rate of pay?
37. Is overtime allowed to be paid to directly hired direct service workers?

#### **V. *Non-Employee Goods and Services Vendor Enrollment***

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

38. Is a Veteran's use of non-employee goods and services vendors permitted in this VDC program?
- a. If yes, what non-employee goods and services are permitted and what is the process used to make that determination (*This may involve the Veterans Affairs Medical Center or VAMC*)?

39. What forms must a non-employee goods or services vendor/provider complete to have payment processed? *(This response may vary based on whether or not a vendor/provider is determined to be an independent contractor.)*

## **VI. Veteran's Monthly Budget and Spending Plan**

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

40. Who prepares the Veteran's monthly budget, and what is it based on?
- a. How is a copy of the Veteran's approved monthly budget provided to the (1) ADNA, (2) VF/EA FMS entity and the (3) Veteran/ representative-employer and by whom?
41. How is a Veteran's monthly budget amended?
- a. How is the Veteran's updated monthly budget provided to the (1) ADNA, (2) VF/EA FMS entity and the (3) Veteran/representative-employer and by whom?
42. How is the Veteran's Spending Plan developed?
- a. How is the Veteran's spending plan provided to the (1) ADNA, (2) VF/EA FMS entity and (3) the Veteran/representative-employer and by whom?
43. How is a Veteran's Spending Plan amended?
- a. How is the Veteran's updated spending plan provided to the (1) ADNA, (2) VF/EA FMS entity and the (3) Veteran/representative-employer and by whom?
44. How is overspending (i.e., worker has work more hours than approved in the Veteran's Spending Plan or Veteran purchases a good or service not included in the Veteran's Spending Plan) identified and by whom?
- a. What policies and procedures has the VF/EA FMS entity implemented to prevent overspending on an ongoing basis?
45. How is overspending (i.e., labor and/or goods and services) addressed when it happens and by whom?
46. How is underspending by the Veteran identified?
47. How is underspending addressed when identified and by whom?
48. What happens in a month when a Veteran does not utilize all the funds in their Spending Plan?

## **VII. Payments**

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

49. How are workers' timesheets and vendor invoices that are submitted for payment reconciled with the Veteran's Spending Plan, by whom and how often?

50. What are the steps/process (workflow) implemented by the VF/EA FMS in order for a direct service worker to be paid (*i.e., who does what and when before payment is issued to the direct service worker*)?
51. How often are employees paid?
  - a. Does the payroll schedule meet the DOL Pay Day and Prompt Pay Regulations for the State?
52. Under what circumstances might a worker (employee) be denied payment?
53. What is the process for the Veteran to identify a good or service that he or she needs and ultimately obtain the needed good or service?
54. What is the process for processing and paying vendors for goods and services approved in the Veteran's Spending Plan?
55. How does the VF/EA FMS manage payments (payroll checks or any other payments it issues) that are returned to it (*i.e., in accordance with State's Unclaimed Property Laws*)?

### **VIII. Managing Employment-Related Taxes & Insurances**

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

56. What taxes are withheld from the employee pay?
57. What taxes are owed by the employer?
58. Describe the process and periodicity for meeting IRS filing requirements for employee Federal income tax withholding, and the employer and employee portions of FICA tax.
59. Describe the process and periodicity for depositing employee Federal Income Tax, and employer and employee FICA (Medicare and Social Security) tax.
60. What is the Federal Unemployment tax taxable wage base for FUTA?
61. Describe the process and periodicity for meeting IRS filing requirements for employer Federal Unemployment Tax Act (FUTA) tax.
62. Describe the process and periodicity for depositing employer Federal Unemployment Tax Act (FUTA) tax.
63. Describe the process and periodicity for filing employees' state income tax (SIT) withholding.
64. Describe the process and periodicity for depositing employees' state income tax (SIT) withholding.
65. What is the state unemployment tax (SUTA) taxable wage base (*will depend on State*)?
66. Describe the process and periodicity for filing employers' state unemployment tax (SUTA).

67. Describe the process and periodicity for depositing employers' state unemployment taxes (SUTA).
68. Does the state/jurisdiction have employment-related locality taxes?  
\_\_\_\_\_ Yes \_\_\_\_\_ No
- a. If yes, describe the process and periodicity for filing and paying required employment-related locality taxes, if applicable.
69. Does the State have a State Disability Insurance (SDI) Program?
- a. If yes, what tax rate applies to the employer and employee?
70. Does the State have a paid sick leave law?
- a. If yes, please describe. Does it apply to self-directed direct service workers?
71. Does the State have a paid family leave law?
- a. If yes, please describe. Does it apply to self-directed direct service workers?
72. Describe how IRS Form W-2 is completed by a VF/EA FMS entity for a Veteran's direct service workers.
73. To whom (people or entities) are IRS Forms W-2 issued, how and when?
74. Under what circumstances must the VF/EA FMS entity refund FICA taxes to eligible direct service workers?
75. What is the process for a VF/EA FMS entity to refund over-collected FICA to the eligible direct service workers?
76. What is the process used by the VF/EA FMS entity to refund the employer portion of over-collected FICA to the VAMC?
77. What other payroll deductions and adjustments is the VF/EA FMS entity prepared to handle?
78. What year-end tax filing/return responsibilities exist for payments made to non-employee goods and services vendors?

**IX. Provision of Workers Compensation Insurance**

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

79. Will workers' compensation coverage be offered to Veterans' direct service workers? \_\_\_\_\_  
Yes \_\_\_\_\_ No
- a. Why or why not?
- b. If yes, how will Veterans obtain initial workers' compensation insurance policies and who will manage the process?

- c. How will workers' compensation insurance policies be managed?
- d. How and by whom will worker's compensation insurance policy renewals be processed?
- e. Who will respond to underwriter for requests for workers' wage amount?
- f. Who will manage audit requests and be the site for the annual workers' compensation insurance audits?

## **XI. Reporting**

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

- 80. What reports are issued by the VF/EA FMS entity to Veteran and his/her representative, as appropriate?
  - a. What information is included in each report?
  - b. How often are these reports issued?
- 81. What reports are issued by the VF/EA FMS entity to person-centered counselors/care managers *(Please use your terminology for this staff person throughout the document)* at the ADNA?
  - a. What information is included in each report?
  - b. How often are reports submitted?
- 82. What reports are issued by the VF/EA FMS entity to the ADNA?
  - a. What information is included in each report?
  - b. How often are reports submitted?
- 83. Does the ADNA receive information/report from the VF/EA FMS entity that is used by the ADNA to submit reports and/or claims to the VAMC?
  - a. If yes, (1) what information is provided, (2) is there a timeline requirement for the ADNA to receive the information from the VF/EA FMS entity, and for the ADNA to submit the information to the VAMC?
- 84. What claim form is used to submit claims to the VAMC for services rendered?
  - a. What entity prepares the claim form?
  - b. What entity submits the claim form?
  - c. What is the frequency of submitting claims forms to the VAMC for payment?

## **XIII. Funding and Accounting**



***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

85. Have the ADNA and VAMC agreed upon a process for submitting claims for reimbursement and monthly service reports to the VAMC? \_\_\_\_\_ Yes \_\_\_\_\_ No
- a. If yes, please describe including the roles of the VF/EA FMS in this process.
86. The Veterans Health Administration (VHA), VAMCs, and VISNs cannot provide funds for services before they are delivered to Veterans. However, by law, employees must be paid per state prompt pay rules, which are usually not more than one or two weeks. As the VHA generally processes payments with properly received claims in 30 – 90 days, funds must be made available prior to VHA payment of claims to cover Veteran services. What entity is advancing these funds?
87. If the VF/EA FMS entity holds funds before they are spent for Veteran services, are those funds maintained in an interest bearing account? If so, how is ownership of the interest managed?
88. What internal controls does the VF/EA FMS entity use to protect ADNA funds if the VF/EA FMS entity is holding funds advanced for the ADNA?

#### ***XIV. Recordkeeping***

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

89. In compliance with what rules and regulations does the VF/EA FMS entity maintain current and archived records *(Please list all Federal and State tax, labor, citizenship and legal alien status and workers compensation insurance recordkeeping requirements)*?
90. Please describe the VF/EA FMS entity's disaster recovery plan for electronic files and how frequently is it tested.

#### ***XV. Customer Service***

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

91. Describe/list the key components of the ADNA's customer service system for the VDC Program.
92. Describe/list the key components of the VF/EA FMS entity's customer service system for the VDC Program.
93. How is cultural and linguistic competence incorporated into the customer service system of the ADNA?
94. How is cultural and linguistic competence incorporated into the customer service system of the VF/EA FMS entity?
95. What role does the ADNA play in providing information and assistance to the Veteran/representative-employer?

96. What role does the VF/EA FMS entity play in providing information and assistance to the Veteran/representative-employer?
97. What process is in place for the ADNA to receive, track and respond to all communications (i.e., calls, emails, faxes) and complaints received from Veterans and their representatives and resolving issues and complaints raised?
98. What process is in place for the VF/EA FMS entity to receive, track and respond to all communications (i.e., calls, emails, faxes) and complaints received from Veterans and their representatives and resolving issues and complaints raised?

## **XI. Quality Assurance**

***(References to the VF/EA FMS entity in this section refer to a contracted VF/EA FMS entity or the VF/EA FMS Division of an ADNA that is providing FMS in-house.)***

99. Under what circumstances is the ADNA and the VF/EA FMS entity, as providers in a Federal program, required by mandatory reporting rules to report suspected fraud and abuse?
100. What policies, procedures and internal controls are in place to detect and address suspected fraud and abuse?
101. How does the VF/EA FMS entity maintain compliance with all applicable state, federal and local rules and regulations as they relate to tax filing, reporting and payment for Veteran/representative-employers?
102. How does the ADNA monitor the VF/EA FMS entity's performance and by whom?
103. If a reporting agent is being used by the VF/EA FMS entity, how is the reporting agent's performance monitored and by whom?
104. Will Veteran/representative-employers be surveyed regarding their satisfaction with the receipt of VDC and VF/EA FMS?
  - a. If yes, what will be the frequency for implementing the survey?
  - b. Who will analyze and summarize the survey information collected?
  - c. How will the survey information be used to improve the quality of VF/EA FMS provided?

## **XII. ACA Employer Mandate**

105. Does the ACA employer mandate for health insurance apply to the VDC program? If so, how?

## **PART F**

**Proposal Forms:** All forms are available in the online Proposal Forms Packet on the MARC website at <https://www.marc.org/about-marc/funding-and-rfps>